New-York Tribune.

VOL. XXXIII ....No. 10,287. NEW-YORK, MONDAY, MARCH 23, 1874.—TRIPLE SHEET. PRICE FOUR CENTS.

WASHINGTON.

DISTRICT AFFAIRS.

AN INTERESTING POINT REACHED IN THE INVESTIGATION—EVIDENCE REGARDING THE REAL ESTATE "POOL"—REFUSAL OF A WITNESS TO GIVE NAMES OF PERSONS CONNECTED WITH IT—LEGISLATION IN THE HOUSE IN OPPOSITION TO EXTRAVAGANT EXPENDITURES.

[BY TELEGRAPH TO THE TRIBUNE.]

WASHINGTON, March 22.—The District investigation reached a very interesting point yesterday. It may be remembered that Hallet Kilbourn of the real estate firm of Kilbourn & Latta of this city, in August, 1871, wrote a letter to the late Wm. S. Huntington, in which he reported the formation of a pavement ring, and remarked, incidentally, "H. D. C." (meaning Gov. Henry D. Cooke, then *ex officio* President of the Board of Public Works) "tells me to draw on him for $25,000 cash for real estate pool." The letter in which this passage occurs has been already printed. The records of deeds of the District of Columbia show that Hallet Kilbourn, and his partner, James M. Latta, invested, not for themselves, but as trustees, during the first few months of the existence of the present District Government, between $700,000 and $800,000. The most suspicious circumstance about these investments was that they consisted of purchases of property in the north-west part of the city, then almost uninhabited except by negroes, who lived in shanties where the surface was so low and flat as to render the land of little value before the Board made its stupendous improvements there, and where no one would have thought of buying land for speculative purposes had he not been in the secrets of the Board. Other sections of the city, where streets are continuously built up with respectable dwellings and where the value of the property is such as to make it better able to pay heavy assessments, have not yet been improved. With these known and admitted facts as a foundation the counsel for the memorialists questioned Mr. Latta in regard to the transactions referred to above.

Early in the examination, Senator Stewart, a member of the Committee, brought out his part in the speculation. It appears that he, Mr. Hillyer, and Mr. Sunderland, in June, 1871, invested in this property about $360,000. In December, 1872, desiring to use the money in mining operations, the Senator sold out his share to his partners, for an advance of $18,000. In March, 1873, he purchased his present square, and began to build his house. He said that when he made the first purchases he had never consulted with the Board of Public Works, and did not know what improvements were contemplated, and that when he purchased the square on which he built, the improvements were nearly completed. If Kilbourn & Latta invested the money for the Senator, and they were in the secret of the Board, there was no occasion for him to consult with the Board or to know what improvements were proposed.

After Mr. Stewart was done with the witness and Judge Black had made his protest against questioning him in regard to private matters, the memorialists proceeded. Mr. Latta admitted the purchase of the property, but when asked whom he held it in trust for, he refused to answer. He said that he was willing to swear that no member of the District Government or of the Board of Public Works had any interest in it, but would not tell who had. The Committee informed him that it should insist upon an answer, and after instructing the memorialists to produce copies of the deeds in question, in order that the foundation for proceedings against the witness might be legally laid, and informing him that both the Senate and the House had established precedents that would hold him—the former in the Treaty of Washington investigation, when the correspondents of THE TRIBUNE were committed, and the latter in the Stewart case last Winter—adjourned until Monday.

Much curiosity has been excited by Mr. Latta's refusal to divulge the names of his principals in these real estate speculations, but no one except the editor of *The Sunday Herald*, the Democratic organ of the Ring, seems to know anything about it. He gives the following explanation in a leading editorial this morning:

> No man in public life dare stand the abuse which is now visited upon those who merely obey a national instinct and plant a stake in the Federal District. Hence, the present resort for a trustee and his commercial prudence to withhold their secret until such time as the people have more charity and the press more decency. It has now come to that passage where the trustee must disclose the names of his principals or go to the coal-hole. We presume Mr. Latta will go.

This is the first confirmation of a rumor which it has never before been possible to trace to a responsible source, that a great many members of Congress were admitted to the real estate "pool," and that their influence in favor of large appropriations to improve their own property was thus obtained. A question has heretofore arisen as to the power of a joint committee to compel a witness to answer questions. Mr. Wilson of Indiana will introduce in the House to-morrow a joint resolution giving to this District Committee this power, and move its passage under a suspension of the rules.

The District Government got a heavy blow in the House on Saturday. The action taken upon two bills showed that a large majority of the members are so impressed with the evidence of extravagance on the part of the District officials that lies under their eyes, and with the reports of gigantic frauds and widespread and systematic corruption and jobbery with which the air is filled in Washington, that they look with suspicion on every measure appropriating money to be expended here. A bill reported by the Committee, making an appropriation of $300,000 to build a bridge across the eastern branch of the Potomac, in place of the present dilapidated structure which connects the city with the village of Uniontown, was beaten in Committee of the Whole on Friday, by striking out the enacting clause. There was another chance to save it when it came up in the House yesterday, and as there had been but little debate on it the day before, its friends tried hard to turn the tide of feeling by arguing that the Government owned the present bridge and the land at both ends of it, and that the bridge furnished the only means of access to the Government Insane Asylum and was now in a dangerous condition. All this talk proved to be "whistling against the wind." After a long debate, in which all the speeches were in favor of the bill except one by Mr. Holman, the House concurred in the action of the Committee of the Whole, and by a vote of 121 to 84 finished the process of killing the measure by decapitation. Mr. Holman spoke in severe terms of the plausible pretexts which are urged to increase the expenditures of the Government in the District, to satisfy the extraordinary cupidity which prevails here, and said:

> The establishment of the form of government now in operation here, under which has been inaugurated this Ring, which now controls affairs in the District of Columbia, has exerted a powerful influence by which enormous fortunes may be built up at the expense of the general industries of the country, by direct appropriations from the Treasury.

The other District bill, on which the House put its foot, was the one appropriating $66,000 as a loan to the District to pay the arrears of salary due the teachers in the public schools. As originally reported, the bill provided that the money should be deducted from future appropriations to be made for the District, which was so indefinite a provision that there was evidently no serious intention that the Government should ever be reimbursed. Mr. Merriam's amendment, requiring a tax to be levied on personal property to repay the sum advanced, which was put upon the bill on Friday in Committee of the Whole, was concurred in by a vote of 112 Yeas and 84 Nays. This action was taken after the obligation of the Government to help support the schools in Washington, on account of the large number of officials, clerks, and other employés whose children are educated here, but who pay no taxes, had been fully argued.

[GENERAL PRESS DISPATCH.]

At a meeting of the District of Columbia Investigating Committee, on Saturday, the counsel for the memorialists offered to put in evidence a number of letters and other manuscripts showing the experience of other cities with regard to patent pavements. The counsel for the District authorities objected to the acceptance of such unsworn statements, and the Committee then adjourned till 1 o'clock.

After the recess, James M. Latta of the firm of Kilbourne & Latta was examined, and in answer to questions put by the memorialists' counsel, stated that Jay Cooke & Co., in the year 1871, advanced to his firm for Hallett Kilbourne, trustee, $25,000, and that this amount was expended for said trustee in the purchase of property situated in the north-western part of Washington City. Among other things, the witness stated that he had purchased considerable real estate as trustee for various persons, some of whom reside abroad. Prompted by a list of such purchasers, furnished by the counsel for the memorialists, Latta designated a good deal of the property therein contained as having been so purchased by him, the deeds in all cases having been made out in his own name as trustee.

To sustain one charge of conspiracy by prominent contractors, the memorialists placed on the stand J. S. Zugg of the firm of Zugg & Co., who stated that himself and Lewis Clephane and John O. Evans constitute said firm, which has been in partnership since January, 1872, during which time they have been engaged in the stone-crushing business, selling their broken stone to all purchasers applying. The partnership invested $22,500 in the business for machinery. They now owe $25,000, and could sell their mill for about $11,000; consequently lose $11,500. Lewis Clephane was summoned, as Collector of the District of Columbia, to show record of amounts deposited with that officer as security by parties bidding for contracts. The counsel for the memorialists called for all the bids for contracts of the date of Sept. 1, 1872, which were furnished by District officers.

Considerable debate was made during the progress of the investigation as to what was proper evidence to be admitted by the Committee, and Mr. Wilson, one of its members, said the Committee wanted all the hearsay evidence they could obtain—not what they knew alone, but what they had heard. This would indicate that the investigation is designed to be directed over a wider range of inquiry than has been heretofore supposed.

A LEADER WANTED.

THE HOUSE OF REPRESENTATIVES WITHOUT A LEADER TO SHAPE THE COURSE OF LEGISLATION.

[FROM A REGULAR CORRESPONDENT OF THE TRIBUNE.]

WASHINGTON, March 21.—The House is badly in want of a leader—not a political leader, however, such as Thaddeus Stevens used to be, to sound the key-note in the discussion of party questions, and whip in the rank and file of the majority when the House divided. Such a man would find little use for his talents now, when party lines are so obscure that office-holders and bigoted partisans can alone see where they run, and when there is only a lax and formal allegiance to old organizations. What is urgently needed is a man of force and nerve, who will make it his duty to see that the necessary business of the House is dispatched with tolerable promptness. For want of such leadership, everything is at loose ends. Four months of the session are gone, and there is almost nothing to show for them. The calendars are clogged with important measures reported from the Committees, and there is no system adopted for disposing of the mass of work that is accumulating. The chairmen of the different committees, recognizing no authority, waste time in struggling for precedence for their bills. And the great majority of members exhibit such a languid interest in the ordinary business that comes up that it is frequently difficult in a full House to persuade a quorum to vote.

The old leaders, who used to feel some responsibility for the conduct of affairs, appear to have lost their influence, or no longer care to exert it. Mr. Dawes contents himself with making a speech now and then, and with attending to the financial measures reported by his committee, and rarely attempts to grasp the reins and direct the course of business. Mr. Garfield, whose comprehensive mind once took in the whole range of legislation, and who used to give promise of becoming an excellent business leader, now lets everything drift, and has dropped back into the position of a faithful worker in the committee-room of Appropriations. Gen. Butler, who possesses many of the qualities requisite for the exercise of leadership, seldom takes any interest in any matters in which he has not an axe to grand, and commands the entire confidence of no one. Mr. Wheeler, who has ability and experience enough to fit him for the vacant post, appears to have no ambition to occupy it. In this absence of leaders, a number of small men have pushed themselves forward; and by wrangling with each other, and talking for talk's sake, are seeking to gain prominence. No one among them exhibits the least ability for shaping and directing the legislation of the session. The House is a turbulent mob that looks in vain for a chieftain, and the little business that is transacted gets through more by the machine-like operation of the rules than by any intelligent direction.

A NEW FINANCIAL BILL.

A NEW BILL TO BE REPORTED BY THE SENATE COMMITTEE ON FINANCE—AN ISSUE OF $104,500,000 OF NATIONAL BANK NOTES IN PLACE OF $82,000,000 OF GREENBACKS PROVIDED FOR—A FREE BANKING PROVISION.

[BY TELEGRAPH TO THE TRIBUNE.]

WASHINGTON, March 22.—The financial debate, which is to be resumed in the Senate to-morrow, after the morning hour, will be directed by the Finance Committee from the pending question to a new bill, which they have been two or three weeks in preparing. As is already known, this Committee is divided into three parties—the specie payment advocates, Messrs. Fenton, Morrill of Vermont, and Bayard; the expansionists, Messrs. Ferry and Wright; and the compromise men, Messrs. Sherman and Scott—and all attempts to harmonize them have, thus far, failed. The bill which will be reported by the consent of all of the members of the Committee, will receive the support of only three. Two members will oppose it, because it does not contemplate sufficient expansion; two others will probably vote against it, because it contemplates too much expansion; and three, understood to be Messrs. Sherman, Scott and Morrill, will support it. The bill, a full copy of which is given below, authorizes the issue of $104,500,000 of National Bank notes, in place of $82,000,000 of greenbacks to be withdrawn. The bill is as follows:

> A BILL to provide for the redemption and reissue of United States notes, and for free banking.
>
> *Be it enacted, &c.*, That the maximum limit of United States notes is hereby fixed at $382,000,000, at which amount it shall remain until reduced, as hereinafter provided.
>
> SEC. 2. That on the first day of January, 1876, the Secretary of the Treasury is authorized and required to pay on demand, at the office of the Assistant Treasurer in the City of New-York, to any holder of United States notes to the amount of $1,000, or any multiple thereof, in exchange for such notes, an equal amount of the gold coin of the United States, or in lieu of coin he may, at his option, issue in exchange for said notes an equal amount of coupons or registered bonds of the United States, in such form as he may prescribe, and of denomination of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest payable quarterly in such coin, at the rate of five per centum per annum. And the Secretary of the Treasury may reissue the United States notes so received, or if they are canceled may issue United States notes to the same amount, either to purchase or redeem the public debt or to meet the current payments for the public service. And the said bonds and the interest thereon, shall be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form, or under State, municipal, or local authority. And the said bonds shall have set forth and expressed upon their face the above specified conditions, and shall, with their coupons, be made payable at the Treasury of the United States.
>
> SEC. 3. That National banking associations may be organized in any State or Territory, or in the District of Columbia, not having a proportion of National bank circulation equal to that of the State of New-York, according to the apportionment made upon the basis of population and wealth by the Controller of the Currency, until each State and Territory and said District respectively has an amount of such bank circulation equal to such proportions of notes now outstanding in the State of New-York, and all banks organized under this section shall be subject to and be governed by the rules, restrictions and limitations, and possess the rights, privileges, and franchises now or hereafter to be prescribed by law as to National banking associations, and that section 6 of the act entitled, "An act to provide for the redemption of the three per centum temporary loan certificates, and for an increase of National bank notes," approved July 12, 1870, be and is hereby repealed.
>
> SEC. 4. That within thirty days after circulating notes to the amount of $1,000,000 shall be issued to National banking associations, under the preceding section, it shall be the duty of the Secretary of the Treasury to retire an amount of United States notes equal to 70 per centum of the circulating notes so issued, which shall be in further reduction of the volume of $382,000,000 fixed by the preceding section; and such reduction shall continue until the aggregate amount of United States notes outstanding shall be $300,000,000, and for that purpose he is authorized to issue and sell at public sale, after 10 days' notice of the time and place of sale, a sufficient amount of the bonds of the United States, of the character and description prescribed in the second section of this act, for United States notes to be then retired and canceled.
>
> SEC. 5. That each National banking association now organized, or hereafter to be organized, shall keep and maintain as a part of its reserve, required by law, one-fourth of the coin received by it as interest on bonds of the United States, deposited as security for circulating notes or Government deposits; and that hereafter, only one-fourth of the reserve now prescribed by law for national banking associations shall consist of balances due to an association available for the redemption of its circulating notes in cities of redemption.

CURRENT TOPICS AT THE CAPITAL.

THE ORIGIN OF THE SANBORN CONTRACT LAW.

WASHINGTON, March 22, 1874.

The origin of the law under under which the Sanborn contract was made has at last been ascertained. Mr. Kelsey of New-York, when a member of the Committee on Appropriations, and when his term was just expiring, brought a draft of this law into the Committee, Mr. Dawes being then Chairman, and urged him to insert it in a bill. Mr. Dawes refused, and carried the Committee against it, in spite of the earnest personal appeals of Kelsey. At the next session, being then out of Congress, he came back with it, and tried to prevail upon Gen. Garfield, then Chairman, to adopt it. The latter refused, and his Committee again killed it. Mr. Kelsey then went to the Senate, and by the aid of Messrs. Cole and Sawyer, and others unknown, secured its insertion. The House Committee of Conference refused to agree to it. Mr. Sawyer then offered a modification which, as he explained it, met the chief objections, and the Conference Committee passed it rather than defeat the bill. This modification, however, was virtually ignored in all the transactions under the Sanborn contracts. It required a full, sworn statement of each case, so that there might be no sweeping proceeding instituted, but in fact no more definite statements were ever required, at the Treasury, than would have resulted in copying the names of all the railroad companies from a guide-book and making all the other lists in the same sweeping manner.

THE WAYS AND MEANS CHAIRMANSHIP.

The succession of Mr. Kelley to the Ways and Means chairmanship, in case it becomes vacant by the election of Mr. Dawes to the Senate, is not a sure thing after all. The precedents are all in his favor as the ranking member of the Committee, and the Speaker says that any new member who might be put on to fill the vacancy would necessarily go to the foot of the list, which would of course leave the high-tariff Pennsylvanian at the top; but there is no rule which obliges a committee to accept a member as Chairman because his name heads the roll. On the contrary, the right of a committee to elect its own Chairman, though very seldom asserted, and never of late years, has always been maintained by good parliamentarians. The place Mr. Dawes now holds is one of such great influence and importance in a political sense, as well as concerning the current legislation of the House, that if he leaves it the question of who shall be his successor will probably be determined by a vote of the Committee.

WASHINGTON NOTES.

WASHINGTON, March 22, 1874.

The receipts from Internal Revenue for the present fiscal year amount nearly to $71,000,000, and the Commissioner expresses the opinion that by the end of the year they will reach the sum estimated, namely, $100,000,000, as the receipts from special license tax in May and June will be in the neighborhood of $8,000,000. The receipts from this source last year were $5,016,904 from retail liquor dealers, $781,653 from wholesale liquor dealers, and $1,500,000 from tobacco dealers. The receipts from all sources for the last three quarters were $27,500,000, but it is not expected that they will come up to the figure during the next quarter, exclusive of the special license tax maturing in May and June, though they will probably reach $20,000,000, which, with $8,000,000 estimated for the remainder of this month and the special tax above mentioned, will reach the $100,000,000 estimated for the year.

The Treasury Department has decided to acquiesce in the decision of the United States Circuit Court at New-York, which recently decided that the Wool act of March 2, 1867, was not actually signed by the President, and was therefore not a law until March 4. The decision of the Court was passed on the testimony of ex-President Johnson to that effect, and the action of the Secretary of the Treasury was based on the recommendation of the Solicitor and the Attorney-General that no appeal should be taken to the Supreme Court in the case. This will invole a refund of the duties on wool and woolen goods imported on March 2 and 3, 1867.

Col. Forney and other prominent Philadelphians are in the city to make a final effort in behalf of the Centennial Exhibition. If Congress will do nothing for it they want a positive declaration to that effect, so that there may be no mistake about it. People here have supposed that the action of the Senate on the joint resolution authorizing the President to invite foreign nations to take part in the Exhibition, was conclusive evidence that no help could be expected from Congress for the enterprise, but the Philadelphians appear to think otherwise.

The records of the Hurtt court-martial case, which were called for by a resolution of the House of Representatives, are in the War Department. The order dismissing Capt. Hurtt was issued June 17, 1864. The Secretary of War was directed a few days since to send copies of the entire proceedings to the House. It will take the continuous labor of one clerk for two months to copy the papers, as there are a great number of them. No document or valuable papers have been abstracted from the War Department records.

President Grant, in conversation yesterday with a leading Western Republican Senator, said the statement in a Washington special dispatch to a New-York paper, published Saturday morning, that any legislation tending to inflation must run the gauntlet of his veto was wholly without foundation; that he had conversed with no one on that subject at all, and that if he were himself a member of Congress he should regard an intimation of a veto in advance of legislation as an unbecoming threat by the Executive, and should resent it.

The Senate Committee on Privileges and Elections, at its meeting yesterday, agreed to report in favor of allowing Mr. Spencer of Alabama to retain his seat in the Senate, which has been contested by Mr. Sykes. The report of the Committee has not yet been prepared, and it has not been determined when it will be submitted.

[For Regular Report of Congressional Proceedings see Second Page.]

COMMERCE HAMPERED.

SEIZURE LAWS.

THE FIRST MOIETY HUNTER—HOW SPECIAL REVENUE LAWS WERE OBTAINED—HISTORY OF THE LEGISLATION—THE POWER OF THE AGENTS AND THE DILEMMA OF THEIR VICTIMS.

Previous to 1863 the Revenue laws of the United States were burdened with a very small number of "fines, penalties and forfeitures." Merchant was an honored name; attempts to defraud the revenue were of rare occurrence, and those who engaged in them were always exposed by honest importers, as soon as the facts came to their knowledge, for the whole power and influence of the importing class was exerted on the side of the Government, and against fraud.

During the third session of the XXXVIIth Congress there appeared at Washington a person who was called a special agent of the Treasury, and who professed to have collected a mass of important evidence proving a systematic undervaluation by importers in their invoices for entry at the Custom-house. He was a lawyer of considerable shrewdness and cunning. He induced the Secretary of the Treasury to believe not only that great frauds were often practiced, but that he (the agent) was almost the only person in the United States who could expose them in the present and prevent them in the future. He also claimed that existing laws were wholly inadequate to prevent these frauds, and that a revision of and large additions to these laws were indispensable. He convinced Secretary Chase of the correctness of his views, and a proper revision was ordered under the direction of this agent and the Solicitor of the Treasury. The act of March 3, 1863, "To prevent and punish frauds upon the revenue," was the product of the joint labors of the special agent and the law officers of the Treasury. It was presented to Congress as emanating from the Treasury Department with the approval of Mr. Chase, who believed it necessary for the protection of the revenue. None but its authors knew its scope, purpose, or outrageous injustice. It attracted no attention from the press, was not specially brought to the notice of either the House or the Senate, received little consideration in Committee, and was accepted as proper by Congress upon the general theory that the Secretary of the Treasury would not present a measure which he did not consider both necessary and proper. It is doubtful whether the existence of this bill was known outside the Treasury until it had passed both Houses and been approved by the President.

THE IMPORTERS' DILEMMA.

Congress has been often charged with injustice, but it is doubtful whether it ever enacted a more unjust law than the act under consideration. By the revenue law as it then was, and ever since has been, the merchant was required to invoice his goods for entry, not at cost, but at "the wholesale price and actual market value in the principal markets of the country," whence they were exported. Upon such an invoice alone could the goods be entered. Any other rule of value exposed the goods to seizure and their owner to a heavy penalty. Leaving this act in full force, the act of 1863 required the merchant to make triplicate invoices of his goods at their actual cost to him, and to make oath that the same—*i. e.*, the invoice—"contained a true and full statement of the time when and the place where the same were purchased, the actual cost thereof, and of all charges thereon, and that no discounts, bounties, or drawbacks, are contained in said invoice but such as have been actually allowed thereon." He was further required to procure a consul's certificate to the truth of these facts, with numerous other details. One of these invoices was to be sent to the Collector, another to be preserved by the consul, and the third to be used in the entry of the goods. If the invoice did not conform to these requirements, the goods were forfeited, and the goods could not be entered unless the invoice complied with the law in all respects.

The passage of this act placed the merchant in this position: By the Revenue law he was required to invoice his goods at market value at the time of exportation under penalty of seizure. By this act he was required to invoice them at actual cost at the time of purchase, under like penalty. If he invoiced at cost they were liable to seizure under the Revenue law, and could not be entered; if invoiced at market value they were liable to seizure under the act of 1863, and could not be entered. It was only in the single case where market value at the time of exportation, and actual cost to the importer, happened to coincide, that he could make an honest entry which conformed to the law. In every case where time elapsed, and there was a change in the market values between the time of purchase and that of exportation, the goods could not be entered without perjury. And such is the law to-day. There has been no time since 1863 when an importer could enter his goods at the Custom-house without making oath that their market value at the time of exportation was precisely equivalent to their cost to him. Goods are constantly fluctuating in price. Many are sold under contracts running through a series of years, at a fixed price, which is sometimes above and sometimes below market value. Railroad iron, for example, is seldom entered at actual cost; but the importer must always make oath that it is. Who then but the Government is responsible for the prevailing idea that a Custom-house oath is a mere formality?

UNBOUNDED POWER OF AGENTS.

But to return to the act of 1863. Its second clause directed the Solicitor of the Treasury to "take cognizance of all frauds or attempted frauds upon the revenue," and provided that he should "exercise a general supervision over the measures for their prevention and detection. The act placed the whole subject under his control, and made him the chief of the corps of special agents and moiety-hunters, and the power placed in his and their hands was fearful. When they made it appear to any district judge "that any fraud in the revenue has been at any time actually committed or attempted by any person or persons interested in or in any way engaged in the importation or entry of merchandise," such judge was required to issue forthwith to the Collector, his agent or assistant, "a warrant to enter any place or premises where any invoices, books, or papers relating to such merchandise or fraud are deposited, and take and carry the same away to be inspected," and such officer was authorized to retain such books, &c., as long "as may be necessary."

The history of legislation probably does not furnish another act involving the principles of the act in question. Its evil effects are by no means confined to the guilty person. It is enough that the agents swear that fraud has even been attempted by any person in any way engaged in the entry, to authorize the seizure of all books and papers relating to such merchandise or fraud. If fraud has been attempted by a Custom-house broker or merchant's clerk, or if agents swearing to mere belief state that it has been, the case is quite sufficient to warrant the seizure of all the books and papers of the importer upon the claim (always made) that in some way they relate to the fraud. There is no description of the place to be searched or the books and papers to be seized. Enough that the agent thinks somebody has at some time attempted a fraud. The merchant's house is no longer his castle; his safe no longer protects his property. The moiety-hunter and his posse enter his store or his dwelling, by night or by day, and searches and seizes until he is satisfied. It avails little to say that such a law is unconstitutional. It is an infamy, a disgrace to the country, which tolerates it upon the pages of its statute book.

This act also gave power to the Secretary of the Treasury to compromise claims. Not upon his own judgment of what was right, for that would have diminished the profits of the moiety-hunter, but only "upon a report by a District-Attorney, or any special attorney or agent having charge of any claim," etc. The clear purpose of the act was to prevent a compromise except with the consent of the special agent. It gave to the District-Attorney two per cent upon all the moneys collected in suits conducted by him, and carefully provided that whenever a moiety-hunter was sued or prosecuted for any act done by him in the prosecution of his enterprise, the District-Attorney should defend him at the expense of the Government.

Perhaps the worst feature of this law was contained in its concluding section. It is the policy of all civilized governments to provide that prosecutions, either by suit or indictment, for fines and penalties, should be begun within some reasonable time after the commission of the act. It had been the law of the United States from 1790, "that no action should be maintained for a penalty or forfeiture under the revenue laws unless the suit was commenced within three years from the time it was incurred," and that any indictment for crime arising under the revenue laws should be found within five years after the offense was committed. The limitation in both these cases was repealed by the act of 1863, and all its machinery left to be put in force in any case where fraud upon the revenue had been either committed or attempted, no matter how long before the proceedings were instituted.

SPECIAL AGENTS NOT YET SATISFIED.

But this act did not operate well in practice. It was not comprehensive enough in its provisions, and conferred too little power upon the special agents of the Treasury. Educated up to the full measure of their necessities by three years of remunerative practice, in 1866 they procured a comprehensive amendment of the act of 1863. During these years the original proprietor of the act of 1863 went abroad and represented the interests of the United States in the double capacity of agent and spy. He conceived and executed the conspiracy which produced the celebrated champagne and other cases, the history whereof is too long to be told here. Their experience in those cases developed the fact that the importers were not placed wholly under the control of the special agents by the act of 1863, and they procured its amendment by the act of July 18, 1866. Like the act of 1863, this act was passed without any public discussion, and the first knowledge the country had of it was its appearance on the statute book.

This act created a new class of officers, who have ever since infested the principal ports of entry, for whom the act itself provided no name or title. They are the men who seize books and papers, act as revenue detectives and spies, and call themselves revenue agents. They are appointed by the Collector, and the only requisite of their appointment is that it shall be filed in the Custom-house. They have all the powers of public officers, divested of any responsibility. They may stop any vessel, railway train, or other vehicle, enter any building or inclosure, and without any warrant or other authority search for and seize goods and arrest persons. Any one resisting or refusing to obey them is subject to a fine of $5,000 and long imprisonment. If any goods are found, subject to duty, the vessel or vehicle is forfeited, and these persons may demand assistance of any person within three miles, who, upon refusal to assist, is liable to fine and imprisonment. No person can assert any claim to property seized by them without giving bonds to pay all costs and expenses, and every possible obstacle is interposed by the act to prevent or frighten claimants from asserting their rights. This act authorizes the Secretary to make any allowance to the District-Attorney for his services in revenue cases which "he shall deem just and reasonable."

MORE POWER GIVEN.

In this long act of 43 sections, almost every sentence imposes a fine or penalty. Its apparent purpose was to create a new corps of irresponsible revenue detectives, shield them from prosecution, and give them unlimited power to arrest, search, seize and confiscate *ad libitum*. It is impossible that such an act could have received proper legislative consideration. It must have passed Congress without examination, upon the theory that the Treasury Department would not ask for improper legislation. Its impropriety culminates in the 39th section. The special agents had met with difficulties in procuring warrants for the seizure of books and papers. Some judges had refused to issue warrants, on *ex parte* affidavits, unless a probable case of fraud was made out; and as the law required the warrant to be granted by the judge of the district in which the seizure was to be made, there were some districts in which warrants could not conveniently be procured. The 39th section, therefore, "in order to facilitate the execution" of the former act, provided that any district judge of the United States might issue the warrant for the seizure of books and papers, and direct the same to any collector or collectors in whose district any such invoices, books, or papers may be thought to be. Under this act, a district judge of Texas can issue a warrant for the seizure of books and papers in New-York or Boston, and if any district judge can be found in any part of the United States who will issue such warrants without consideration or upon defective evidence, the last difficulty in procuring such warrants for a seizure in any district or part of the United States is removed. This act repealed no fewer than eight previous acts of Congress, or parts thereof, all of which contained restrictions upon the prosecution of revenue cases, which in the opinion of Congress had been just and reasonable; and swept away every vestige of legal limitation upon such prosecutions.

AN UNEXPECTED DIFFICULTY AND ITS SOLUTION.

The provisions of the acts of 1863 and 1866 involved so wide a departure from all former acts upon which prosecutions for a violation of the revenue law had been based, that their passage operated to repeal the laws under which many pending prosecutions had been instituted. This was a consequence which the authors of these laws had not thought of. The general rule, that the passage of an act *ipso facto* repeals all former acts inconsistent with it, is one which is generally understood and is commonly supposed to be in force in the Congress of the United States. By the act of Feb. 25, 1871, however, it is provided that the repeal of any statute shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such statute, unless the repealing act shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining the proper action and prosecution for the enforcement of such penalty, forfeiture, or liability. The passage of this act was rendered necessary by the violent changes introduced by the acts of 1863 and 1866.

The existence of the act of 1871 ought not to escape the attention of Congress in its proposed repeal of the laws giving moieties to informers. If those laws are repealed to-day by a repealing act in the ordinary form, they will still be in force as to pending prosecutions under the act of 1871.

The system of prosecutions which these various acts established, still left one means by which importers guilty of no intentional wrong might escape their operation. The coöperation of the Collector of Customs was practically indispensable in these prosecutions. The moiety which accrued to him in every case of conviction was a strong inducement to the Collector to give his active coöperation, but yet there might be cases in which he, although satisfied that the importer had technically violated the law, would also be satisfied that he ought not to be prosecuted for such violation. In such cases the Collector might refuse his consent and the prosecution

See Twelfth Page.

GENERAL FOREIGN NEWS.

THE GERMAN ARMY.

A DECLARATION OF THE EMPEROR WILLIAM THAT HE IS DETERMINED TO MAINTAIN ITS STRENGTH.

BERLIN, March 22, 1874.

The generals of the army at present in this city waited in a body on the Emperor William to-day and congratulated him on reaching his 77th birthday. The Emperor, in the course of his reply, referred to the crisis which was hanging over the army, and declared that he was determined to maintain its strength, and thereby insure the peace of Europe.

THE ASHANTEE EXPEDITION.

ENTHUSIASTIC RECEPTION OF SIR GARNET WOLSELEY IN LONDON—APPROPRIATION FOR DEFRAYING THE EXPENSES OF THE EXPEDITION.

LONDON, Saturday, March 21, 1874.

Gen. Sir Garnet Wolseley disembarked at Portsmouth this morning, and reached this city this afternoon. Upon alighting from the train at the Waterloo Station he met with an enthusiastic reception from a dense mass of people who had assembled there.

In the House of Commons to-day a bill appropriating $4,000,000 for the expenses of the Ashantee expedition was passed.

LONDON, Monday, March 23, 1874.

The Morning Post says it is probable that Gen. Sir Garnet Wolseley will be rewarded with the rank of Major-General and a pension of $7,500 per annum for two lives.

THE SPANISH AUTHORITIES IN CUBA.

RESIGNATION OF THE INTENDENTE OF HAVANA—COMMENTS UPON THE MANNER OF CONCHA'S APPOINTMENT AS CAPTAIN-GENERAL.

HAVANA, March 21.—Señor Villamil, Intendente of Havana, has tendered his resignation and it has been accepted. Señor Manos is appointed his successor.

The *Diario* and *Voz de Cuba* deny that Captain-General Jovellar forwarded his resignation to Spain since the present Government came into power. The people comment upon the coming of Gen. Concha and the manner of his appointment.

THE CIVIL WAR IN SPAIN.

INEFFECTUAL ATTEMPTS TO RELIEVE BILBAO.

LONDON, Monday, March 23—8 a. m.

A special telegram to *The Standard*, dated Santander, Sunday, says, the first movement of the Government troops for the relief of Bilbao, by way of the Bilbao River, was a failure. It was found impossible to effect a landing, and the expedition returned to Santona.

LONDON, Monday March 23—6 a. m.

A dispatch from Spain to *The London Hour* reports that an ammunition wagon lately exploded in Marshal Serrano's camp, and 50 men were killed and wounded.

DISORDERS IN MEXICO.

A PROTESTANT CHAPEL ATTACKED IN PUEBLA—DEPREDATIONS OF TEPIC INDIANS.

MEXICO, March 15.—A Catholic mob on the night of March 7 attacked the Protestant chapel in Puebla, smashed the windows and furniture, destroyed the Bibles, and stoned the pastor, the Rev. Antonio Corral.

The State of Yucatan is utterly disorganized by the revolution.

The Tepic Indians continue their depredations. They have lately become more daring, having defeated the Government troops sent against them. Reënforcements have been dispatched.

THE OVERFLOW OF THE THAMES.

LONDON, Saturday, March 21, 1874.

The extraordinary rise in the tide of the Thames yesterday caused great damage along the banks of the river. Lambeth and Rotherhithe were inundated. Sewers burst and the floors of many houses were forced up by the water. Several children and a number of horses were drowned in these places. At Wapping the lower stories of the houses were filled with water, and business on the wharves was suspended. Numerous families were compelled to abandon their houses. At the Woolwich arsenal the fires in the gun factories were extinguished, and the contents of the store sheds were flooded. Another high rise of the tide is feared to-day and temporary embankments have been erected to prevent a repetition of the inundation.

NEW AUSTRIAN MINISTER AT WASHINGTON.

VIENNA, March 22, 1874.

The appointment of Baron Schwarz-Senborn to be Austrian Minister at Washington is officially announced.

FOREIGN NOTES.

The wife of Don Carlos has been delivered of a daughter.

Mr. O'Donnell, the Home Rule candidate, has been elected to the British Parliament from Galway.

Mr. Disraeli on Saturday refused to receive a deputation which came to ask for the release of the incarcerated Fenians.

The *Voz de Cuba* has information of the killing of the insurgent Col. Belisario Peralta and 16 of his men by the Spanish troops.

A telegram from Bayonne says that the French officers have arrested the Curé of Santa Cruz on the frontier and taken him to that city.

Advices from Hayti to the 12th of March represent that it was feared disturbances would occur when the presidential election takes place in April.

The Hon. Geo. Brown has been appointed by the Canadian Government commissioner to proceed to Washington to take part in the negotiations for a reciprocity treaty.

The crop of sugar raised by the colony from the United States at Tuxpan, Mexico, is represented to be superior in quality and quantity to that produced in any other district of the same size in Mexico.

Mr. Anderson gave notice in the British House of Commons that to-day he would ask the Government whether it was willing to coöperate with the Government of the United States in fixing sailing tracks for vessels crossing the Atlantic between the two countries.

The first of a series of meetings which the French Canadians propose holding in favor of amnesty to Riel and others, was held at the village of St. Jean Baptiste on Friday night. The attendance was large. The Mayor of the village presented seveeral resolutions which were carried.

A decree has been promulgated by the Spanish Government establishing a National Bank, granting it a monopoly of the issue of bank notes, and compulsorily incorporating with it all other banks in Spain. In return the new bank agrees to advance to the Government the sum of $125,000,000 pesetas.

Information has been received at the State Department at Washington, from the United States Consul-General at Havana, of a circular issued on the 1st of March by the Captain-General of Cuba, ordering that on and after the 1st of April next, 25 per cent of import and export duties shall be collected in gold; 50 per cent on and after the 1st of May; 75 per cent on and after the 1st of August; 100 per cent on and after the 1st of November. A dispatch from Havana under date of March 18 said the Captain-General had temporarily suspended the operation of this law.

THE BALD MOUNTAIN PHENOMENA.

THE DISTURBANCES DECLARED BY SCIENTIFIC MEN TO BE VOLCANIC.

[BY TELEGRAPH TO THE TRIBUNE.]

WHITE HOUSE, near BALD MOUNTAIN, McDowell Co., N. C., March 20, via Salisbury, N. C., March 21.—THE TRIBUNE correspondent is now within a few miles of Bald Mountain, having been delayed by severe rain storms. Citizens at this point and along the line I have traveled by horseback confirm the reports of the terrific tremblings and roaring noises proceeding from the mountain. Scientists with whom I have just conversed, and who are direct from the scene, say there is no doubt that volcanic action is going on. Citizens are still fleeing and religious meetings are being held night and day by the superstitious in the neighborhood, who are yielding submissively, as they term it, to the will of God, and making all needful preparations for the end of the world. Shocks are hourly felt throughout the section I am now in, crockery in some residences being thrown from the shelves.

THE KNIGHTS OF PYTHIAS.

PHILADELPHIA, March 21.—Myrtle Wreath Lodge of New-York, Knights of Pythias, visited the city yesterday, and was received by the Mayor, who tendered them the hospitalities of Philadelphia. To-night the visitors attended the anniversary exercises of the Myrtle Wreath Lodge of this city.